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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-073]

Antidumping Duty Investigation of Common Alloy Aluminum Sheet from the People's Republic of China: Affirmative Final Determination of Sales at Less-Than-Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that common alloy aluminum sheet (common alloy sheet) from the People's Republic of China (China) is being, or is likely to be, sold in the United States at less-than-fair value (LTFV) for the period of investigation (POI) April 1, 2017, through September 30, 2017.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Scott Hoefke or Julie Geiger, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-4947 and (202) 482-2057, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 6, 2018, Commerce published in the *Federal Register* the *Preliminary Determination* and invited interested parties to comment.¹ On August 8, 2018, Commerce

¹ See *Antidumping Duty Investigation of Common Alloy Aluminum Sheet from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value, Preliminary Affirmative Determination of Critical Circumstance, and Postponement of Final Determination*, 83 FR 29088 (June 22, 2018) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

published in the *Federal Register* the *Amended Preliminary Determination*.² A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum that is dated concurrently with this determination and hereby adopted by this notice.³

The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic version are identical in content.

Scope Comments

We invited parties to comment on Commerce's Scope Comments Preliminary Decision Memorandum.⁴ Commerce has reviewed the briefs submitted by interested parties, considered the arguments therein, and has made no changes to the scope of the investigation. For further discussion, see Commerce's Scope Comments Final Decision Memorandum.⁵

² See *Common Alloy Aluminum Sheet from the People's Republic of China: Amended Preliminary Affirmative Determination of Sales at Less Than Fair Value*, 83 FR 39056 (August 8, 2018) (*Amended Preliminary Determination*).

³ See Memorandum, "Issues and Decision Memorandum for the Final Results of the Antidumping Duty Investigation of Common Alloy Aluminum Sheet from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁴ See Memorandum, "Common Alloy Aluminum Sheet from the People's Republic of China: Scope Comments Preliminary Decision Memorandum," dated June 15, 2018.

⁵ See Memorandum, "Common Alloy Aluminum Sheet from the People's Republic of China: Scope Comments Final Decision Memorandum," dated concurrently with this memorandum.

Methodology

Commerce conducted this investigation in accordance with section 731 of the Tariff Act of 1930, as amended (the Act). For a full description of the methodology underlying our final determination, *see* the Issues and Decision Memorandum.

Scope of the Investigation

The merchandise covered by this investigation is common alloy sheet from China. For a complete description of the scope of this investigation, *see* Appendix I.

Verification

As provided in section 782(i) of the Act, in July, we conducted verification of the questionnaire responses submitted by Henan Mingtai Industrial Co., Ltd. and Zhengzhou Mingtai (collectively, Mingtai). We issued verification reports on August 28, 2018.⁶ We used standard verification procedures, including an examination of relevant accounting and financial records, and original source documents provided by Mingtai.

Period of Investigation

The POI is April 1, 2017, through September 30, 2017.

Analysis of Comments Received

The issues raised in the case and rebuttal briefs that were submitted by parties are discussed in the Issues and Decision Memorandum. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice at Appendix II.

Final Affirmative Determination, in Part, of Critical Circumstances

⁶ *See* Commerce Memoranda, “Verification of the Questionnaire Responses of Henan Mingtai Al Industrial Co., Ltd. and Zhengzhou Mingtai Industry Co., Ltd. in the Less-Than-Fair-Value Investigation of Common Alloy Aluminum Sheet from the People’s Republic of China,” dated August 28, 2018.

In the *Preliminary Determination*, we found that critical circumstances exist for to Nanjie Resources Co., Limited (Nanjie), Yong Jie New Material Co., Ltd. (Yong Jie New Material), and Zhejiang Yongjie Aluminum Co., Ltd. (Yongjie Aluminum) (collectively, Yongjie Companies); Zhejiang GKO Aluminium Stock Co., Ltd. (GKO Aluminium); the companies eligible for a separate rate; and the China-wide entity.⁷ After analyzing comments received from interested parties regarding our preliminary critical circumstances determinations, we continue to find that, in accordance with section 735(a)(3) of the Act and 19 CFR 351.206, critical circumstances exist with respect to Nanjie, the Yongjie Companies, GKO Aluminium, the companies eligible for a separate rate, and the China-wide entity.⁸

Use of Adverse Facts Available (AFA)

For the final determination we continue to rely upon facts otherwise available, with adverse inferences (AFA), for the China-wide entity, the Yongjie Companies, and GKO Aluminium, pursuant to sections 776(a) and (b) of the Act.

Changes Since the Preliminary Determination

Based on our review and analysis of the comments received from parties, and minor corrections presented at verification, we made certain changes to Mingtai's margin calculation since the *Preliminary Determination*. For Mingtai, we calculated U.S. price and normal value using the same methodology stated in the *Preliminary Determination*, except as follows:

- We revised the surrogate value for Mingtai's argon factor of production using data from Bulgaria instead of South Africa.
- We revised the surrogate value for Mingtai's prompt aluminum scrap factor of production.

⁷ See *Preliminary Determination*, 83 FR at 29089.

⁸ See Issues and Decision Memorandum, at Comment 2.

- We revised Mingtai's normal value calculation by: (1) disallowing a claimed by-product offset; and (2) treating run-around aluminum scrap as a direct material input, not as a by-product.

China-Wide Entity

For the final determination, we continue to find that the China-wide entity, which includes certain Chinese exporters and/or producers that did not respond to Commerce's requests for information, including mandatory respondents GKO Aluminium and the Yongjie Companies, failed to provide necessary information, failed to provide information in a timely manner, and significantly impeded this proceeding by not submitting the requested information. We also continue to find that the China-wide entity failed to cooperate to the best of its ability. As a result, we continue to rely on AFA in determining the rate for the China-wide entity and, as AFA, we select the highest rate listed in the initiation of the investigation (*i.e.*, 59.72 percent), which is greater than the revised weighted-average dumping margin of Mingtai (*i.e.*, 49.85 percent).⁹

Combination Rates

Consistent with *Preliminary Determination*¹⁰ and Policy Bulletin 05.1,¹¹ Commerce calculated combination rates for the respondents that are eligible for a separate rate in this investigation.

Final Determination

The final weighted-average antidumping margins are as follows:

⁹ See Issues and Decision Memorandum, at 5-7.

¹⁰ See *Preliminary Determination*, 83 FR at 29089-29090.

¹¹ See Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on Commerce's Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

Exporter	Producer	Weighted-Average Margin	Cash Deposit Adjusted for Subsidy Offset
Henan Mingtai Al Industrial Co., Ltd./ Zhengzhou Mingtai Industry Co., Ltd.	Henan Mingtai Al Industrial Co., Ltd./ Zhengzhou Mingtai Industry Co., Ltd.	49.85 percent	49.85 percent
Alcha International Holdings Limited	Jiangsu Alcha Aluminium Co., Ltd.	49.85 percent	49.85 percent
Alumax Composite Material (Jiangyin) Co., Ltd.	Chalco Ruimin Co., Ltd.	49.85 percent	49.85 percent
Granges Aluminum (Shanghai) Co., Ltd.	Granges Aluminum (Shanghai) Co., Ltd.	49.85 percent	49.85 percent
Henan Founder Beyond Industry Co., Ltd.	Henan Xintai Aluminum Industry Co., Ltd.	49.85 percent	49.85 percent
Huafon Nikkei Aluminium Corporation	Huafon Nikkei Aluminium Corporation	49.85 percent	49.85 percent
Jiangsu Lidao New Material Co., Ltd.	Henan Jinyang Luyue Co., Ltd.	49.85 percent	49.85 percent
Jiangsu Lidao New Material Co., Ltd.	Jiangsu Zhong He Aluminum Co., Ltd.	49.85 percent	49.85 percent
Jiangyin Litai Ornamental Materials Co., Ltd.	Jiangyin Litai Ornamental Materials Co., Ltd.	49.85 percent	49.85 percent
Jiangyin New Alumax Composite Material Co. Ltd.	Chalco Ruimin Co., Ltd.	49.85 percent	49.85 percent

Shandong Fuhai Industrial Co., Ltd.	Shandong Fuhai Industrial Co., Ltd.	49.85 percent	49.85 percent
Tianjin Zhongwang Aluminium Co., Ltd.	Tianjin Zhongwang Aluminium Co., Ltd.	49.85 percent	49.85 percent
Xiamen Xiashun Aluminum Foil Co., Ltd.	Xiamen Xiashun Aluminum Foil Co., Ltd.	49.85 percent	49.85 percent
Yantai Jintai International Trade Co., Ltd.	Shandong Nanshan Aluminium Co., Ltd.	49.85 percent	49.85 percent
Yinbang Clad Material Co., Ltd.	Yinbang Clad Material Co., Ltd.	49.85 percent	49.85 percent
Zhengzhou Silverstone Limited	Henan Zhongyuan Aluminum Co., Ltd.	49.85 percent	49.85 percent
Zhengzhou Silverstone Limited	Luoyang Xinlong Aluminum Co., Ltd.	49.85 percent	49.85 percent
Zhengzhou Silverstone Limited	Shanghai Dongshuo Metal Trade Co., Ltd.	49.85 percent	49.85 percent
Zhengzhou Silverstone Limited	Zhengzhou Mingtai Industry Co., Ltd.	49.85 percent	49.85 percent
CHINA-WIDE ENTITY ¹²		59.72 percent	59.72 percent

¹² The China-wide entity also includes the following companies that filed separate rate applications: Nanjie Resources Co., Limited, Yong Jie New Material Co., Ltd., and Zhejiang Yongjie Aluminum Co., Ltd., Zhejiang GKO Aluminium Stock Co., Ltd.; Alnan Aluminium Inc.; Chalco Ruimin Co., Ltd.; CHALCO-SWA Cold Rolling Co., Ltd.; Luoyang Wanji Aluminium Processing Co., Ltd.; and Wanji Global (Singapore) PTE. LTD.

Disclosure

We intend to disclose to parties in this proceeding the calculations performed for this final determination within five days of the date of public announcement of our final determination, in accordance with 19 CFR 351.224(b).

Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, for this final determination, we will direct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of common alloy sheet from China, as described in Appendix I of this notice, which are entered, or withdrawn from warehouse, for consumption on or after June 6, 2018, the date of publication in the *Federal Register* of the affirmative *Preliminary Determination*. Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the weighted average amount by which normal value exceeds U.S. price, as indicated in the chart above as follows: (1) for the producer/exporter combinations listed in the table above, the cash deposit rate is equal to the estimated weighted-average dumping margin listed for that combination in the table; (2) for all combinations of Chinese producers/exporters of merchandise under consideration that have not established eligibility for their own separate rates, the cash deposit rate will be equal to the estimated weighted-average dumping margin established for the China-wide entity; and (3) for all third-country exporters of merchandise under consideration not listed in the table above, the cash deposit rate is the cash deposit rate applicable to the Chinese producer/exporter combination (or the China-wide entity) that supplied that third country exporter. These suspension of liquidation instructions will remain in effect until further notice.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because Commerce's final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of common alloy sheet, no later than 45 days after this final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated and all cash deposits posted will be refunded. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the "Suspension of Liquidation" section.

Notification Regarding Administrative Protective Orders

This notice will serve as a reminder to the parties subject to administrative protective order (APO) of their responsibility concerning the disposition of propriety information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested.

Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Return or Destruction of Proprietary Information

In the event the ITC issues a final negative injury determination, this notice serves as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials, or conversion to judicial

protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation subject to sanction.

Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: November 5, 2018.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is aluminum common alloy sheet (common alloy sheet), which is a flat-rolled aluminum product having a thickness of 6.3 mm or less, but greater than 0.2 mm, in coils or cut-to-length, regardless of width. Common alloy sheet within the scope of this investigation includes both not clad aluminum sheet, as well as multi-alloy, clad aluminum sheet. With respect to not clad aluminum sheet, common alloy sheet is manufactured from a 1XXX-, 3XXX-, or 5XXX-series alloy as designated by the Aluminum Association. With respect to multi-alloy, clad aluminum sheet, common alloy sheet is produced from a 3XXX-series core, to which cladding layers are applied to either one or both sides of the core.

Common alloy sheet may be made to ASTM specification B209-14, but can also be made to other specifications. Regardless of specification, however, all common alloy sheet meeting the scope description is included in the scope. Subject merchandise includes common alloy sheet that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the common alloy sheet.

Excluded from the scope of this investigation is aluminum can stock, which is suitable for use in the manufacture of aluminum beverage cans, lids of such cans, or tabs used to open such cans. Aluminum can stock is produced to gauges that range from 0.200 mm to 0.292 mm, and has an H-19, H-41, H-48, or H-391 temper. In addition, aluminum can stock has a lubricant applied to the flat surfaces of the can stock to facilitate its movement through machines used in the manufacture of beverage cans. Aluminum can stock is properly classified under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7606.12.3045 and 7606.12.3055.

Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set for the above.

Common alloy sheet is currently classifiable under HTSUS subheadings 7606.11.3060, 7606.11.6000, 7606.12.3090, 7606.12.6000, 7606.91.3090, 7606.91.6080, 7606.92.3090, and 7606.92.6080. Further, merchandise that falls within the scope of this investigation may also be entered into the United States under HTSUS subheadings 7606.11.3030, 7606.12.3030, 7606.91.3060, 7606.91.6040, 7606.92.3060, 7606.92.6040, 7607.11.9090. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. List of Issues
- III. Background
- IV. Period of Investigation
- V. Scope of Investigation
- VI. Scope Comments
- VII. Changes from the Preliminary Determination
- VIII. Adjustment Under Section 777A(F) of the Act
- IX. Selection and Corroboration of the Adverse Facts Available Rate
- X. Discussion of the Issues
 - Comment 1: Application of Adverse Facts Available (AFA)
 - Comment 2: Critical Circumstances Determination
 - Comment 3: Surrogate Country
 - Comment 4: Surrogate Value for Aluminum Scrap
 - Comment 5: Surrogate Value for Argon
 - Comment 6: Mingtai's Aluminum Scrap
 - Comment 7: Separate Rate Status for Wanji Global and Luoyang Wanji
 - Comment 8: Separate Rate Status for Tianjin Zhongwang
- V. Recommendation

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